

# Fannie Mae Progress Report

FOURTH QUARTER 2012

As of April 2, 2013

## OUR PURPOSE

- We are focused on supporting the housing market recovery and helping to lay the foundation for a better housing finance system going forward.
- Our priorities are aligned with the public interest.
- We are committed to providing liquidity to the mortgage market; assisting troubled borrowers; enabling families to buy, refinance, or rent a home; and building a book of business that will help return taxpayers' investment in the company.

## OUR RESULTS FOURTH QUARTER 2012

- Significant improvement in credit results and growing revenue from our new book of business resulted in annual net income of \$17.2 billion and \$7.6 billion for the fourth quarter, the largest annual and quarterly net income in the company's history.
- Fannie Mae expects to remain profitable for the foreseeable future.

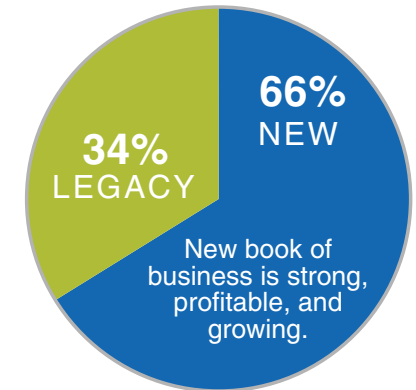
Net income  
for Q4 2012

**\$7.6**  
billion

Net income  
for FY 2012

**\$17.2**  
billion

## SINGLE-FAMILY BOOK OF BUSINESS AS OF DECEMBER 31, 2012



■ Single-Family Loans prior to 2009

■ Single-Family Loans 2009 through December 31, 2012

- We are setting responsible credit standards to protect homeowners and taxpayers while making it possible for families to purchase, refinance, or rent a home.
- We expect that the loans in our new single-family book of business will be profitable over their lifetime.
- We significantly strengthened our underwriting and eligibility standards and changed our pricing to promote sustainable homeownership and stability in the housing market.
- As a result, loans in our new single-family book of business have strong credit risk profiles.

## FANNIE MAE PERFORMANCE SNAPSHOT\*

- High-quality new book of business accounted for 66 percent of single-family guaranty book of business as of December 31, 2012.
- Remained the largest single issuer of single-family mortgage-related securities in the secondary market in the fourth quarter of 2012 and remained a constant source of liquidity in the multifamily market.
- Funded the mortgage market with approximately \$3.3 trillion in liquidity, which enabled borrowers to complete 9.7 million mortgage refinancings and 2.7 million home purchases, and provided financing for 1.7 million units of multifamily housing.
- Refinanced approximately 2.8 million mortgages through the company's Refi Plus™ initiative, including loans refinanced under the Administration's Home Affordable Refinance Program (HARP). As a result of Refi Plus, borrowers' monthly payments were reduced by an average of \$237 in the fourth quarter of 2012.
- Helped more than 1.2 million families retain their homes or avoid foreclosure through workout solutions, including 879,000 loan modifications.

\* Fannie Mae data for the period January 1, 2009 through December 31, 2012, unless otherwise noted.



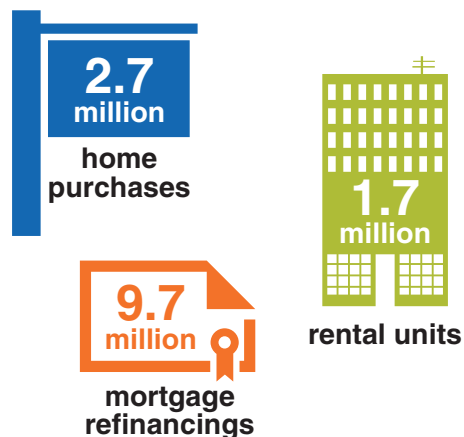
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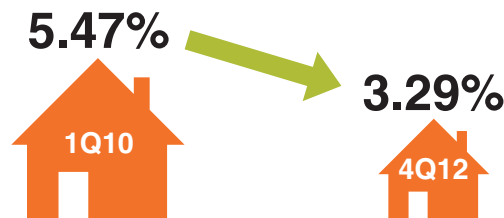
## LIQUIDITY AND SUPPORT TO THE MARKET

- We funded the mortgage market with approximately \$3.3 trillion in liquidity since 2009, enabling families to buy, refinance, or rent a home:



## DRIVING DOWN THE SERIOUS DELINQUENCY (SDQ) RATE

- Our single-family SDQ rate has declined 11 consecutive quarters.

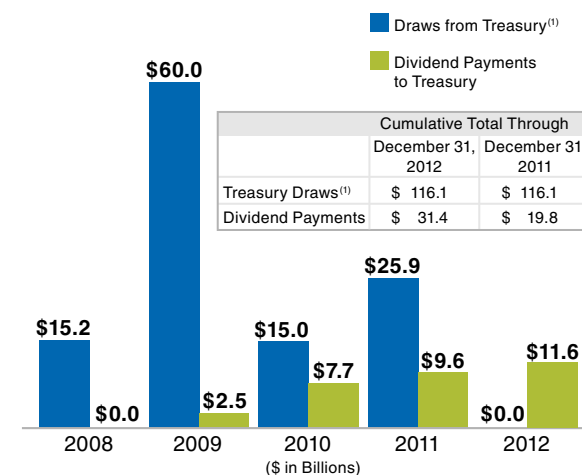


- Fannie Mae's single-family SDQ rate was 3.29 percent.
- Our single-family SDQ rate is substantially lower than private market levels.
- 94 percent of Fannie Mae's 17.5 million loans are current.

## TREASURY DRAWS AND DIVIDEND PAYMENTS

- Through March 31, 2013, Fannie Mae paid taxpayers \$35.6 billion in dividends. We expect to remain profitable for the foreseeable future.

Treasury Draws and Dividend Payments



<sup>(1)</sup> Treasury draws do not include the initial \$1.0 billion liquidation preference of Fannie Mae's senior preferred stock, for which Fannie Mae did not receive any cash proceeds. The liquidation preference on Fannie Mae's senior preferred stock is not reduced by the payment of dividends to Treasury.

This report includes our expectations regarding our future financial results, profitability, our ability to pay taxpayers, and the growth, profitability, and caliber of the loans in our new single-family book of business. These expectations are forward-looking statements based on our current assumptions regarding numerous factors, including future home prices. Our actual results and future expectations may differ materially from our current expectations as a result of home price changes, unemployment rates, other macroeconomic variables, government policy, social behaviors, and many other factors, including those discussed in the "Risk Factors" section of and elsewhere in our annual report on Form 10-K for the year ended December 31, 2012. These forward-looking statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under the federal securities laws.

Data as of December 31, 2012